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SIERRA DEVELOPMENT LLC

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

11 MELISSA GAIL SEWELL, an
12 individual,

13 Plaintiff,

14 | v.

15 SIERRA DEVELOPMENT LLC;
16 THE RIVERSIDE COMPANY and
DOES 1 through 10, inclusive,

Defendants.

Case No: 2:25-cv-01940 MAA

**DEFENDANT SIERRA
DEVELOPMENT LLC'S ANSWER
AND AFFIRMATIVE DEFENSES TO
PLAINTIFF'S COMPLAINT**

Complaint Filed: March 5, 2025
Trial Date: None set

Defendant SIERRA DEVELOPMENT LLC (hereinafter “Defendant”) hereby responds to the complaint (“Complaint”) of Plaintiff MELISSA GAIL SEWELL (hereinafter “Plaintiff”) as follows:

THE PARTIES

5 1. Defendant lacks sufficient knowledge or information to enable
6 Defendant to admit or deny Plaintiff's allegations of residency in Paragraph 1 of
7 the Complaint. Defendant admits that it employed Plaintiff as its Chief Compliance
8 Officer but denies that it employed Plaintiff pursuant to an offer letter prescribing
9 that California law applied to Plaintiff's employment. Defendant denies that The
10 Riverside Company employed Plaintiff as its Chief Compliance Officer pursuant
11 to an offer letter prescribing California law applied to such employment.

12 2. Defendant denies that it operated out of 530 West Los Angeles Ave, Ste
13 115 – 23, Moorpark, California 93201, but admits the remaining allegations in
14 Paragraph 2 of the Complaint.

15 3. Defendant denies that RIVERSIDE exercises substantial control over it.
16 Defendant lacks sufficient knowledge or information about Plaintiff's allegation
17 about RIVERSIDE'S location and definitions of "chartered" and "financially
18 backs" to enable Defendant to admit or deny Plaintiff's remaining allegations in
19 Paragraph 3 of the Complaint.

20 4. Defendant lacks sufficient knowledge or information to enable
21 Defendant to admit or deny the allegations in Paragraph 4 of the Complaint.

VENUE

23 5. The allegations in Paragraph 5 of the Complaint contain legal
24 conclusions and legal argument that Defendant is not required to admit or deny.

JURISDICTION

26 6. The allegations in Paragraph 6 of the Complaint contain legal
27 conclusions and legal argument that Defendant is not required to admit or deny.

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1 7. The allegations in Paragraph 7 of the Complaint contain legal
 2 conclusions and legal argument that Defendant is not required to admit or deny.

3 **INTERCONNECTEDNESS BETWEEN RIVERSIDE AND SDLLC**

4 8. Defendant denies Plaintiff's allegations that RIVERSIDE has substantial
 5 ownership and control over it and that RIVERSIDE is an ostensible employer of
 6 Plaintiff and/or exercises control over Plaintiff's employment in Paragraph 8 of the
 7 Complaint.

8 a. Defendant admits to Plaintiff's allegation that RIVERSIDE loaned
 9 Defendant one million dollars as operating capital soon after Defendant's
 10 formation in January 2019. Defendant lacks sufficient knowledge or
 11 information about Plaintiff's definition of "facilitate" to characterize the
 12 loan in Paragraph 8 (a) of the Complaint. Defendant denies Plaintiff's
 13 allegation that Michael Eblin serves as Defendant's "Managing"
 14 Member. Defendant admits that Michael Eblin serves as an independent
 15 contractor with a title of Senior Operating Partner for RIVERSIDE.
 16 Defendant denies Plaintiff's allegation that CEO Waibel holds multiple
 17 board seats.

18 b. The allegations in Paragraph 8(b) of the Complaint contain legal
 19 conclusions and legal argument that Defendant is not required to admit
 20 or deny.

21 c. Defendant admits to Plaintiff's allegations in Paragraph 8(c) of the
 22 Complaint.

23 d. Defendant admits to the allegations in Paragraph 8(d) of the Complaint.

24 e. Defendant admits to the allegations in Paragraph 8(e) of the Complaint.

25 f. Defendant denies the allegations in Paragraph 8(f) of the Complaint.

26 g. Defendant lacks sufficient knowledge or information to enable Defendant
 27 to admit or deny the allegations in their entirety in Paragraph 8 (g) of the
 28 Complaint.

1 h. Defendant admits to the allegations in Paragraph 8(h) of the Complaint.

2 **GENERAL ALLEGATIONS**

3 9. Defendant lacks sufficient knowledge or information to enable
4 Defendant to admit or deny the allegations in their entirety in Paragraph 9 of the
5 Complaint.

6 10. The allegations in Paragraph 10 of the Complaint contain legal
7 conclusions and legal argument that Defendant is not required to admit or deny.

8 11. Defendant admits Plaintiff's allegation that Plaintiff commenced her
9 employment with Defendant in January 2020 as Chief Compliance Officer.
10 Defendant denies Plaintiff's allegations related to her work performance and
11 compliance with employee handbook.

12 12. Defendant admits that projects like Codifil's information security review
13 and RIVERSIDE's own A.I. project were not charged to portfolio companies.
14 Defendant lacks sufficient knowledge or information about the scope and
15 definitions of Plaintiff's remaining allegations to enable Defendant to admit or
16 deny Plaintiff's remaining allegations in Paragraph 12 of the Complaint.

17 13. Defendant admits that it requested Plaintiff to assist on additional
18 internal projects. Defendant denies Plaintiff's allegations related to PMAT and
19 HydroCorp's two phase project in Paragraph 13 of the Complaint.

20 14. Defendant admits that Plaintiff completed phase one of this project but
21 denies Plaintiff's remaining allegations in Paragraph 14 of the Complaint.

22 15. Defendant admits to the allegations in Paragraph 15 of the Complaint.

23 16. Defendant admits to the allegations in Paragraph 16 of the Complaint.

24 17. Defendant admits to Plaintiff's allegations related to the e-mail
25 referenced in Paragraph 17 of the Complaint. Defendant lacks sufficient
26 knowledge or information to enable Defendant to admit or deny Plaintiff's
27 remaining allegations in Paragraph 17 of the Complaint.

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1 18. Defendant admits to the allegations in Paragraph 18 of the Complaint.

2 19. Defendant lacks sufficient knowledge or information to enable

3 Defendant to admit or deny Plaintiff's allegations in Paragraph 19 of the

4 Complaint.

5 20. Defendant admits to the allegations in Paragraph 20 of the Complaint.

6 21. Defendant lacks sufficient knowledge or information to enable

7 Defendant to admit or deny Plaintiff's allegations in Paragraph 21 of the

8 Complaint.

9 22. Defendant admits to Plaintiff's allegation relating to the completion of

10 Plaintiff's work and CEO Waibel's paid time off. Defendant lacks sufficient

11 knowledge or information to enable Defendant to admit or deny Plaintiff's

12 remaining allegations in Paragraph 22 of the Complaint.

13 23. Defendant lacks sufficient knowledge or information to enable

14 Defendant to admit or deny Plaintiff's allegations in Paragraph 23 of the

15 Complaint.

16 24. Defendant admits to Plaintiff's allegations in Paragraph 24 of the

17 Complaint.

18 25. Defendant lacks sufficient knowledge or information to enable

19 Defendant to admit or deny Plaintiff's allegations in Paragraph 25 of the

20 Complaint.

21 26. Defendant lacks sufficient knowledge or information to enable

22 Defendant to admit or deny Plaintiff's allegations in Paragraph 26 of the

23 Complaint.

24 27. Defendant lacks sufficient knowledge or information to enable

25 Defendant to admit or deny Plaintiff's allegations in Paragraph 27 of the

26 Complaint.

27 28. Defendant admits Plaintiff's allegation that Plaintiff e-mailed team

28 members that she would be out of the office on June 28, 2024. Defendant denies

1 that it received an email from Plaintiff on June 29, but admits that it received an
2 email from Plaintiff about her mother's out-of-state funeral and her return to work
3 on July 10, 2024. Defendant lacks sufficient knowledge or information to enable
4 Defendant to admit or deny Plaintiff's allegations related to the time of death in
5 Paragraph 28 of the Complaint.

6 29. Defendant admits Plaintiff's allegation related to the completion of the
7 RIVERSIDE A.I. testing. Defendant denies Plaintiff's remaining allegations in
8 Paragraph 29 of the Complaint.

9 30. Defendant denies Plaintiff's allegation that Defendant told Plaintiff that
10 she was being terminated on August 16, 2024. Defendant admits Plaintiff's
11 allegation that CEO Waibel stated, "You are not happy, and I'm not happy" on
12 August 16, 2024. Defendant denies Plaintiff's allegation that Mike Eblin directed
13 Plaintiff's termination.

14 31. The allegations in Paragraph 31 of the Complaint contain legal
15 conclusions and legal argument that Defendant is not required to admit or deny.

16 32. Defendant admits Plaintiff's allegation that Defendant did not need a
17 full-time compliance officer. Defendant denies Plaintiff's allegation that it told
18 Plaintiff that her job was being outsourced. Defendant denies Plaintiff's allegation
19 related to the meeting format. Based upon information and belief, Defendant
20 denies Plaintiff's allegation that Plaintiff did not receive a termination notice.
21 Defendant admits Plaintiff's allegation related to the Georgia State Department of
22 Labor.

AS TO THE FIRST CAUSE OF ACTION

24 33. Defendant incorporates its responses to Paragraphs 1 through 32 of this
25 Answer in response to Paragraph 33 of the Complaint.

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1 34. Defendant admits to Plaintiff's allegation that Plaintiff was employed by
 2 Defendant. Defendant denies that Plaintiff's employment was subject to
 3 substantial discretion and control manifested by RIVERSIDE as to her employment
 4 duties, assignments, and compensation.

5 35. The allegations in Paragraph 35 of the Complaint contain legal
 6 conclusions and legal argument that Defendant is not required to admit or deny.

7 36. The allegations in Paragraph 36 of the Complaint contain legal
 8 conclusions and legal argument that Defendant is not required to admit or deny.

9 37. Defendant denies Plaintiff's allegation that it terminated Plaintiff's
 10 employment on August 16, 2024.

11 38. The allegations in Paragraph 38 of the Complaint contain legal
 12 conclusions and legal argument that Defendant is not required to admit or deny.

13 39. The allegations in Paragraph 39 of the Complaint contain legal
 14 conclusions and legal argument that Defendant is not required to admit or deny.

15 40. The allegations in Paragraph 40 of the Complaint contain legal
 16 conclusions and legal argument that Defendant is not required to admit or deny.

17 **AS TO THE SECOND CAUSE OF ACTION**

18 41. Defendant incorporates its responses to Paragraphs 1 through 40 of this
 19 Answer in response to Paragraph 41 of the Complaint.

20 42. Defendant admits to Plaintiff's allegation that Plaintiff was employed by
 21 Defendant. Defendant denies that Plaintiff's employment was subject to substantial
 22 discretion and control manifested by RIVERSIDE as to her employment duties,
 23 assignments, and compensation.

24 43. The allegations in Paragraph 43 of the Complaint contain legal
 25 conclusions and legal argument that Defendant is not required to admit or deny.

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1 44. Defendant lacks sufficient knowledge or information about Plaintiff's
 2 definition of "bereavement leave to be with and take care of [Plaintiff's] mother"
 3 to enable Defendant to admit or deny Plaintiff's allegations in Paragraph 44 of the
 4 Complaint

5 45. Defendant denies Plaintiff's allegation that Defendant terminated
 6 Plaintiff's employment on August 16, 2024.

7 46. The allegations in Paragraph 46 of the Complaint contain legal
 8 conclusions and legal argument that Defendant is not required to admit or deny.

9 47. The allegations in Paragraph 47 of the Complaint contain legal
 10 conclusions and legal argument that Defendant is not required to admit or deny.

11 48. The allegations in Paragraph 48 of the Complaint contain legal
 12 conclusions and legal argument that Defendant is not required to admit or deny.

13 **AS TO THE THIRD CAUSE OF ACTION**

14 49. Defendant incorporates its responses to Paragraphs 1 through 48 of this
 15 Answer in response to Paragraph 49 of the Complaint.

16 50. Defendant admits to Plaintiff's allegation that Plaintiff was employed by
 17 Defendant. Defendant denies that Plaintiff's employment was subject to substantial
 18 discretion and control manifested by RIVERSIDE as to her employment duties,
 19 assignments, and compensation.

20 51. Defendant denies Plaintiff's allegation that Defendant terminated
 21 Plaintiff's employment on August 16, 2024.

22 52. The allegations in Paragraph 52 of the Complaint contain legal
 23 conclusions and legal argument that Defendant is not required to admit or deny.

24 53. The allegations in Paragraph 53 of the Complaint contain legal
 25 conclusions and legal argument that Defendant is not required to admit or deny.

26 54. The allegations in Paragraph 54 of the Complaint contain legal
 27 conclusions and legal argument that Defendant is not required to admit or deny.

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AS TO THE FOURTH CAUSE OF ACTION

55. Defendant incorporates its responses to Paragraphs 1 through 54 of this Answer in response to Paragraph 55 of the Complaint.

56. Defendant admits to Plaintiff's allegation that Plaintiff was employed by Defendant. Defendant denies that Plaintiff's employment was subject to substantial discretion and control manifested by RIVERSIDE as to her employment duties, assignments, and compensation.

57. The allegations in Paragraph 57 of the Complaint contain legal conclusions and legal argument that Defendant is not required to admit or deny.

58. The allegations in Paragraph 58 of the Complaint contain legal conclusions and legal argument that Defendant is not required to admit or deny.

59. The allegations in Paragraph 59 of the Complaint contain legal conclusions and legal argument that Defendant is not required to admit or deny.

60. The allegations in Paragraph 60 of the Complaint contain legal conclusions and legal argument that Defendant is not required to admit or deny.

61. Defendant denies Plaintiff's allegation that Defendant terminated Plaintiff's employment on August 16, 2024.

62. The allegations in Paragraph 62 of the Complaint contain legal conclusions and legal argument that Defendant is not required to admit or deny.

63. The allegations in Paragraph 63 of the Complaint contain legal conclusions and legal argument that Defendant is not required to admit or deny.

PRAYER FOR RELIEF

Defendant denies that Plaintiff is entitled to relief she seeks as set forth on page 11 of the Complaint, or any relief whatsoever, and requests that the Court award Defendant its costs and fees of suit and other relief the Court deems proper.

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AFFIRMATIVE DEFENSES

Without conceding that Defendant bears the burden of proof as to any issue, and without waiving any of the foregoing, Defendant asserts the following separate and independent affirmative defenses to the Complaint.

FIRST AFFIRMATIVE DEFENSE

1. The Complaint as a whole, and each purported claim for relief alleged therein, fails to state facts sufficient to constitute a claim for relief against Defendant.

SECOND AFFIRMATIVE DEFENSE

2. Plaintiff's claims are barred to the extent they involve transactions or events or seek damages for periods of time outside the applicable statute of limitations period(s).

THIRD AFFIRMATIVE DEFENSE

3. The legal process served upon Defendant was legally insufficient in that Plaintiff failed to serve her complaint upon Defendant within the proscribed statutory time period.

FOURTH AFFIRMATIVE DEFENSE

4. All employment related decisions made by Defendant with respect to Plaintiff, or which affected Plaintiff, were made in good faith, for legitimate, non-discriminatory reasons.

FIFTH AFFIRMATIVE DEFENSE

5. Plaintiff's claims are barred to the extent she has failed to satisfy the conditions precedent to filing the claims in the Complaint.

SIXTH AFFIRMATIVE DEFENSE

6. Plaintiff is estopped from recovering any relief sought in the complaint, or in any purported cause of action alleged therein.

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SEVENTH AFFIRMATIVE DEFENSE

7. Through her conduct, Plaintiff has waived any right to recover any relief sought in the Complaint, or in any purported cause of action alleged therein.

EIGHTH AFFIRMATIVE DEFENSE

8. Plaintiff's claim is barred by the doctrine of unclean hands.

NINTH AFFIRMATIVE DEFENSE

9. Plaintiff's claims are barred to the extent she has failed to mitigate any alleged damages.

TENTH AFFIRMATIVE DEFENSE

10. Defendant asserts that to the extent Plaintiff has received benefits from collateral sources or other set-offs or recoupments, Plaintiff's claims should be diminished accordingly.

ELEVENTH AFFIRMATIVE DEFENSE

11. To the extent Defendant discovers during the course of this action that Plaintiff engaged in any conduct which would have warranted discharge under any applicable rules, Plaintiff's right to recover damages beyond the date of such discovery will be cut off.

TWELFTH AFFIRMATIVE DEFENSE

12. If Defendant is responsible in any respect for any injuries or damages suffered by Plaintiff, which Defendant expressly denies, such injuries or damages have been caused by or contributed to by others, and Defendant proportional liability, if any, should be reduced to the extent thereof.

THIRTEENTH AFFIRMATIVE DEFENSE

13. Plaintiff's claim is barred by the doctrine of estoppel.

FOURTEENTH AFFIRMATIVE DEFENSE

14. To the extent Plaintiff seeks punitive or exemplary damages, such damages are barred because the alleged acts or omissions of Defendant fail to rise to the level required to sustain an award of punitive damages, do not evidence a

1 malicious or reckless intent to deny Plaintiff her protected rights, and are not so
 2 wanton or willful as to support an award of punitive damages. Plaintiff has failed
 3 to state a claim for punitive damages under any law.

4 **FIFTEENTH AFFIRMATIVE DEFENSE**

5 15. This Court lacks subject matter jurisdiction to adjudicate this action
 6 because all actions arising out of or related to Plaintiff's employment are subject to
 7 Plaintiff's agreement to submit such disputes to binding individual contractual
 8 arbitration.

9 **RESERVATION OF RIGHTS**

10 Defendant expressly reserves the right to amend the answer to assert
 11 additional affirmative defenses, and to supplement, alter, or change the answer and
 12 affirmative defenses for good cause; or alternatively, upon revelation of more
 13 definitive facts by Plaintiff and upon Defendant's undertaking of additional
 14 discovery and investigation of this matter. Accordingly, the right to assert
 15 additional affirmative defenses, if and to the extent that such affirmative defenses
 16 are applicable, is hereby expressly reserved.

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1 **WHEREFORE**, this answering Defendant prays as follows:

2 1. That Plaintiff take nothing by her Complaint for damages;

3 2. That Plaintiff's Complaint herein be dismissed in its entirety with

4 prejudice;

5 3. That Defendant recover its costs of suit herein, including its reasonable

6 attorneys' fees; and

7 4. That the Court award such other and further relief as it deems appropriate.

8 DATED: April 3, 2025

9 FISHER & PHILLIPS LLP

10 By: /s/ Lisa Chinai
11 Colin P. Calvert
12 Lisa Chinai
13 Attorneys for Defendant
 SIERRA DEVELOPMENT LLC

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CERTIFICATE OF SERVICE

I, the undersigned, am employed in the County of Orange, State of California. I am over the age of 18 and not a party to the within action; am employed with the law offices of Fisher & Phillips LLP and my business address is 2050 Main Street, Suite 1000, Irvine, California 92614.

On April 3, 2025, I served the foregoing document entitled **DEFENDANT SIERRA DEVELOPMENT LLC'S ANSWER AND AFFIRMATIVE DEFENSES TO PLAINTIFF'S COMPLAINT** on all the appearing and/or interested parties in this action by placing the original a true copy thereof enclosed in sealed envelope(s) addressed as follows:

Jon Y. Vanderpool
Dyland Griffith
VANDERPOOL GRIFFITH LLP
401 B Street, Suite 2000
San Diego, CA 92101
Telephone: (619) 952-0855

Attorneys for Plaintiff,
MELISSA SEWELL

- [by MAIL]** - I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at Irvine, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postage cancellation date or postage meter date is more than one day after date of deposit for mailing this affidavit.
- [by ELECTRONIC SUBMISSION]** - I served the above listed document(s) described via the United States District Court's Electronic Filing Program on the designated recipients via electronic transmission through the CM/ECF system on the Court's website. The Court's CM/ECF system will generate a Notice of Electronic Filing (NEF) to the filing party, the assigned judge, and any registered users in the case. The NEF will constitute service of the document(s). Registration as a CM/ECF user constitutes consent to electronic service through the court's transmission facilities.

I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made.

Executed April 3, 2025 at Irvine, California.

Katie Costantino

By:

Signature